

Procedures for issuing tax refunds to property owners

SB 1203 by Madla (Homer)

DIGEST: SB 1203 would have allowed a property owner to direct a taxing unit or appraisal district to deliver tax refunds on the property to a person designated to receive other information about the property. The person designated to receive the refund would have had 30 days in which to notify the property owner that the refund had been delivered.

GOVERNOR'S REASON FOR VETO:

“Senate Bill No. 1203 would authorize property owners to designate an agent to receive tax refunds on their behalf, but would fail to protect property owners from unreasonable charges, which often amount to as much as 50 percent of the refund owed the taxpayer.

“This bill furthermore would direct appraisal districts and taxing entities to send tax refunds to third-party agents rather than directly to the taxpayers. As such, this bill is tantamount to establishing a fee-collection system for third-party agents. While these collection firms claim to provide a public service, it should be incumbent upon appraisal districts and taxing entities to provide sufficient information to property owners on how to obtain a refund at no cost, and to make it easier for property owners to obtain those refunds.”

RESPONSE: Sen. Frank Madla, the bill’s author, had no comment on the veto.

Rep. Mark Homer, the House sponsor, said: “While I understand the governor’s reasoning for the veto, I do believe that the bill took a promising step to not only ensure a streamlined tax refund system throughout appraisal districts and county tax offices, but also to guarantee the homeowner/taxpayer will obtain all money owed to them from those offices.”

NOTES: SB 1203 was analyzed in the May 19 *Daily Floor Report*.